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WHY COLLEGES ARE RUNNING FACTORIES

by George W. Eckelberry

Last October Congressman Mason of Illinois delivered a speech, on the floor of the House of Representatives, dealing with some contemporary methods of tax avoidance. He reported on transfers to charitable trusts and on the organization of co-operatives to escape the heavy income taxes on business profits. And he also cited less-advertised transfers of business enterprises to universities and colleges. Here are some excerpts from Mr. Mason's speech:

> "High on the list we find educational institutions which have become fast-growing, tax-free competitors in many fields of business. Colleges and universities are not taxed today because long ago the founding fathers decided that the facilities of education should not be burdened with taxes.
>
> "But the founding fathers had no notion, I am sure, that universities would go into business in direct competition with tax-paying companies. How could they foresee the time when New York University, for instance, would buy up a piston ring factory in St. Louis, a macaroni factory in New York, a pottery factory in New Jersey, and a lot of other prosperous tax-paying manufacturing plants, and take them off the tax rolls so that their earnings could not be taxed any more?
>
> "Can we believe that the founding fathers would have sanctioned a scheme to siphon the profits of a horse-racing track tax-free into the coffers of a university? Yet that is the sort of thing that goes on. Colleges own radio stations and run them for profit tax-free. A boys' military school in Minnesota owns a furnace factory in Ohio. New instances are brought to my attention almost daily; there seems to be no end to this form of tax avoidance.
>
> "Why, I ask you, should not an educational institution that goes into the manufacturing business, or the retail business, or any other business, pay tax just like its competitors"?

The forceful argument of Representative Mason is concerned primarily with the loss of Federal revenue, and the unfairness of competition with a business enterprise owned and operated by a tax-exempt university selling its product in competition with tax-paying corporations. There is cause for this concern. Certainly the loss in tax revenues must be a tremendous sum and the competitive advantage of a manufacturing plant owned by a tax-free university is obvious. The present situation does not fit into our concept of the free competitive market.

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It may be that Congress will enact legislation subjecting the business profits of universities to the income tax. It is even possible that the Courts will rule such profits taxable under existing laws. To anticipate this, however, is not the point we are making here.

The point is that the situation described by Mr. Mason must be regarded as a symptom of tax maladjustment. Perhaps the solution is not merely new legislation, assessing taxes on the business income of universities. Perhaps there is a more serious and deeper problem the solution of which is more involved and difficult.

II

It can be assumed, without fear of contradiction, that universities and colleges have not acquired competitive and hazardous business properties because they were preferred over first mortgage bonds, or Government bonds yielding a reasonable rate of return.

Certainly our academic institutions are not equipped to engage in a competitive struggle of macaroni and pottery production, in order to earn an income on their endowment funds. If other types of more stable investment were adequate no board of college trustees would choose to take responsibility for the management of diverse business enterprises. The present day problems of production costs, selling prices, wage disputes, industrial pensions and relations with State and Federal inspectors are too burdensome to be accepted with pleasure.

The fact is, however, that interest rates have declined for the past 20 years and that privately-endowed universities are now confronted with serious financial problems. Student fees have been lifted to the very limit; economies in operation have been severe and in some cases costly in terms of educational objectives. The continuous "drives" for alumni contributions are more symptomatic than successful.

So the almost desperate acquisition of business properties, with their uncertain income and heavy management responsibilities, has not been by choice but of necessity. What we are witnessing is a back-to-the-wall effort on the part of our universities to defend their traditionally high standards in the face of heavy odds. They have chosen to risk their funds with business properties rather than to starve to death with two per cent interest from Government bonds. During the consideration of legislation designed to correct this situation, Members of Congress must admit some responsibility for its creation.

It is appropriate also to inquire as to the reasons why the previous owners of macaroni, pottery and other factories have been willing to transfer their properties to tax-exempt institutions. In the past many of these properties have been highly successful, with proud earnings' records. How is it that they are available for institutional ownership?

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No one answer to this question can be given. Perhaps in one case it may have been for the purpose of reducing the owner's taxable income for a particular year; perhaps in another case for the purpose of reducing an estate subject to high Federal taxes at death. Some factories have doubtless been donated to Alma Mater without ulterior motive. But in many cases the deciding factor has doubtless been oppressive income tax rates, coupled with the growing threat of a "Welfare State".

It would seem that the facts reported by Mr. Mason might be construed as evidence that individual incentive has been lowered by the income tax rates now in effect. These facts suggest that some individuals are ceasing to produce. They are simply giving up the struggle against high tax rates which show no promise of coming down.

One of the factors in this clearly ominous trend is undoubtedly the double tax on the earnings of corporations. It will be recalled that until shortly before the war dividends received by an individual were subject to the surtax only. Moreover these surtaxes were only imposed on net incomes over $4,000. Between $4,000 and $6,000 the rate was four per cent; between $6,000 and $8,000 it rose to five per cent and so on.

Now this surtax "cushion" of $4,000 is entirely gone and the surtax on the first $2,000 of net income is 17 per cent, subject to a slight reduction authorized by the 80th Congress. The tax rate on the profits of most corporations is 38 per cent. This tax, coupled with the heavy tax on dividends received, leaves stockholders in many cases with a net return on their investments far below what was regarded as normal before the war.

There seems good reason for an inquiry going much deeper than the surface evidence of tax evasion. Such an inquiry might disclose the reasons why tax-exempt universities have acquired business properties, and also the reasons why many individuals are now willing to dispose of such investments. Perhaps it would be found that the present trend is the inevitable consequence of the fiscal policies and the economic philosophy of the Federal Government during the past 18 years.

The persistent attack on individual enterprise, especially when functioning as a corporation, has been a prominent factor in lowering interest rates. This is forcing endowed institutions to seek some other forms of investment in order to meet their budgetary requirements. The problem will not be solved by subjecting them to the income tax. There would still remain the problem of finding some other form of investment providing a rate of return adequate for college operation. Indeed many

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a college could be dealt a fatal blow by hasty and short-sighted legislation resulting in the restriction of endowment fund investments to two per cent Government bonds.

IV

What we must realize, and what the plight of the colleges points up, is that the income tax is a conscription of earnings from economic activity. The income tax is a dangerous instrument in the hands of Government, if we assume that the institution of private enterprise should be preserved. The level at which incentive is lowered by the income tax will never be precisely determined. But certainly at some point there finally develops an individual unwillingness to take risks and a general disposition to slow down.

Today, with unprecedented tax collections and yet no plan to retire the public debt and overcome continuous deficit financing, the point of diminishing returns has perhaps been reached. The mere fact that business enterprises are drifting to tax-exempt institutions to the extent reported is rather strong evidence in support of this belief.

It would seem, therefore, that the fundamental problem is one of tax revision, coupled with drastic cuts in Government spending. The Committee for Economic Development recently recommended a Federal budget contemplating both the abolition of the double tax on corporate profits and reduction of the debt. That rates of taxation can be lowered, and at the same time meet all of our financial obligations, is the claim of this organization, after a thorough and objective study.

That heavy cuts in Government spending can be made while actually improving the operation of the Federal Government is the claim of the Hoover Commission. It may well be that the solution to the problem, of great concern to all of us, has been suggested by these reports.

The problem of tax-exempt universities, and colleges operating business enterprises, might eventually disappear if "risk capital" investments, in the form of capital stock of corporations, are made more attractive to individuals. There is a warning in the fact that the portfolios of tax-exempt institutions show a steady increase in investments of this type. It shows that our income tax policies operate to discourage private enterprise -- the very heart of our economy and of the civilization we are endeavoring to defend against Communism.

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Not Merely Gossip *A Supplement to* Human Events Vol. VII, No. 14

By Frank C. Hanighen April 5, 1950

COMMUNISM IN FARM MOVEMENTS: When President Truman the other day recommended the Brannan Plan in Congress, some persons labelled it the "Kolkhoz Plan", after Soviet Russia's collectivization of the farms. The metaphor is by no means strained. The unwary may discern no immediate threat of collectivization of farm properties in the famous scheme. But by this time many observers have become very mindful of the Socialist policy of gradualism and believe that collectivization will be the end product of the Brannan proposal. With that thought in mind, they turn to the genealogy of the Brannan Plan. A year ago, this column pointed out that the genial Mr. Brannan is a "man of the Left" and served under, indeed was trained by, Mr. C. B. "Beany" Baldwin in the Farm Security Agency. This division was by far the most radical of any in the very pink Department of Agriculture, then headed by no less than Henry A. Wallace. Time marched on -- and by 1948 "Beany" Baldwin was campaign manager for Wallace. The Wallace party, it may be remembered, was not exactly anti-Soviet and numbered among its followers many Communists.

Well, Labor -- prominently the CIO -- has engaged in a general house-cleaning of Communists. Is it not, some say, about time that the farm movement should do likewise? If anyone should be incredulous that the rugged individualists out on the farms could follow Communist-shaped policies, let him look at France. There, the Communist Party has waged a strong and effective drive to bring sturdy peasants under its banner. It would be indeed surprising if the CP had not sought to infiltrate and influence such an important American political force as agriculture. We should not forget that the rural Left Wingers are backing the Brannan Plan. In short, some investigation of the background of such a measure as the Brannan Plan and of the individuals pushing it seems overdue.

One is reminded that the Department of Agriculture in the early days of the New Deal harbored many Communists. It is a matter of record that the notorious Communist agent Harold Ware was once a dollar-a-year man in Agriculture and that he planted many agents there in the early Thirties. Observers who watched the Department during those years can testify that many functionaries wanted to shape the country's rural pattern on the model of that of Soviet Russia. One of the interesting revelations brought out in the Hiss investigation and trial was that quite a number of "cell" members came to rest in Agriculture. What was the role of Farm Research, Inc., (Ware's "cover", according to Seeds of Treason)? It may be that the House Un-American Activities Committee or some other Congressional group would do well to examine the history and activities of the Communists in agriculture. Such an investigation might serve to put the extraordinary plan of the Secretary of Agriculture into the proper perspective.

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THE BUDGET: This week, Edna Lonigan reports from Capitol Hill, as follows. President Truman's gigantic budget, with its deficit of $5 billion, has passed the gauntlet of the Appropriations Committee and is before the House. The Committee trimmed a billion from the President's requests, which is to say they cut it hardly at all.

The Committee did excellent work on the task it set itself; the minute examination of what the Administration requested. It points out how some of the "improvements" in form really keep Congress from examining the details. It warns against technical practices which commit the Federal budget for years ahead; or permit the

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agencies to carry over appropriations. There is a touch of grim humor. The Committee says many of the justifications of the requests for money are "a series of essays with price tags attached". It urges the State Department to arrange "a thorough study by some of the more practical officials of the Department". It wonders why we have to contribute to so many international organizations, and pay so high a percentage of the total cost.

While saving at the spigot, Committee members have let the money leak out at the bunghole -- through the mandatory spending programs, especially grants-in-aid. The Committee says quite properly that it cannot do anything about expenditures that were voted by the whole Congress. The Administration knows this loophole and uses it with consummate skill. It is no wonder we have so huge a budget five years after VJ Day. The "War Economy" is a Socialist economy. The budget raises the Constitutional issue of whether we are to continue under War Socialism, where the Government manages everything, or return to representative government.

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MORE ON THE BUDGET: Is the United States permanently committed to give scholarships, teaching grants, training stipends, and grants to states, for cancer, heart disease, psychiatry, dentistry, and even the uses of ACTH and cortisone? Is our money to go directly from the family to the hospital or college, as it used to, or is it to go from our families to Washington and back to the locality, while costs mount, and money leaks away, and an army of clerks spend their days sorting paper without ever finding out what happened? The Appropriations Committee makes the startling statement that "not one single witness appeared . . . to suggest a program for reduction" of the budget. Private organizations with funds and good technical staffs apparently offered Congress no real help.

Congressional power over the purse has been diminishing since the war's end, but it could be quickly regained. Congress needs to line up all the spending proposals and decide which have to give way. An Administration which prefers an arms race to a good State Department obviously cannot afford any welfare at all.

Congress is bewildered between two contrary pressures: from highly organized groups demanding more welfare, and from unorganized individuals growing daily more bitter about taxes. But the battle on the floor and the battle in the districts are one and the same. The pressure groups are products of War Socialism. Without the leadership, the strategy and the funds of the Executive, the welfare pressure groups would collapse. Congress has, then, only one problem, whether to demobilize our War Socialism. On that issue Congress is more truly the guardian of the Constitution than is the Supreme Court.

The Battle of the Budget should be seen as high drama. Whether it will be a tug-of-war between the Executive power and a fighting Congress, or the tragedy of the slow disintegration of the last free legislative power, it is too early to tell.

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NEVER A DULL MOMENT DEPARTMENT: The varnish is rapidly peeling off Secretary Acheson these days. For the first time he is being subjected to really critical scrutiny from all sides. Acheson's talent for rendering a State paper excessively wordy, and often opaque to the point of meaninglessness, is neatly described by Frank Gervasi in his book, Big Government, a volume about the work of the Hoover Commission. (Acheson was Vice Chairman of the Commission.) "Mr. Hoover", says Gervasi, "proved to be a genius at condensation. On one occasion he and Vice Chairman Acheson worked on a report 4500 words long. They had discussed it, but had

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reached no common decision, so each took the work home and went over it. When they met again, the Secretary of State had expanded his to 7500 words and Mr. Hoover had reduced his to about 1000!"

---- Many readers will recall Charles Beard's brilliant little book, A Foreign Policy for America, published in 1940 during the fight against intervention. The opening to the public of the Franklin D. Roosevelt papers (with certain sections 100 per cent restricted!) at the Hyde Park Library a few days ago revealed that Roosevelt had read the Beard book and then had scrawled on the fly-leaf of his copy this profound thought: "'Forty years of hard and continuous study' has brought forth an imbred [sic] mouse." It is easy to talk of Beard's foresight now, but what makes this little Hyde Park news item doubly sardonic is the fact that the State Department has within the past fortnight published a 726-page documentary volume on Post War Foreign Policy Preparation which reveals (New York Times, March 26) that the lack of advance planning for the cold war was "predicated on the assumption that the Soviet Union would co-operate as pledged."

---- Benefits paid to individuals for Old Age Assistance (relief payments to the aged and not to be confused with Old Age and Survivors Insurance) vary widely among the 48 states. This being so, many state governments require residence of longer or shorter periods to prevent migration simply for the purpose of quickly claiming a bigger pension. Senate Hearings on H.R. 6000, the pending bill, turned up a crop of oddments that illustrate the weird patchwork quality of our social security system. One man, at least, figured out a way to claim two pensions. Here is Earl Kouns, Director of the Colorado State Department of Public Welfare, testifying before the Senate Finance Committee: "All of a sudden, a person who lived pretty close to the (state) line applied for old age pension; and upon investigation by both the Nebraska department and the Colorado department we found that he owned land both in Colorado and Nebraska, and he had moved his house, five years before, 100 feet, so that he could prove that he had been living in Colorado five years . . . so that he could apply and get a Colorado pension."

---- Government inventory has a tendency to go to unbelievable lengths, one reason being the distaste of the agencies for turning back unspent money at the fiscal year's end. In feverish last minute searches for ways to spend money, supply purchase offers great scope. In the pious hope of cutting this down to size, the General Services Administration was established July 1, 1949. Into this agency were consolidated numerous bureaus concerned with inventory, purchase, record keeping and so forth. A few days ago Jess Larson, Administrator of the new agency, appeared before the House Appropriations Committee to defend his 1951 budget. He explained that he needed more men and more money to really canvass the supply situation. Quoth he: "We found in the personal property field warehouse of Agency A this equipment which was all excess, and which was not needed for anything currently contemplated in the agency. We found that they had a supply of fluorescent light tubes that would last them 93 years at the six-month rate that they were being used at the time. We found that they had packages of ruled filler paper that would last them for 168 years at the current rate of use. We found that they had a supply of tracing cloth that would last them nine years, and loose-leaf binders enough to last them for 247 years."

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UTLEY: Freda Utley, author of last week's Analysis, Chasing Chameleons, has received no little publicity in the past few days. The press has reported that she will testify before the Senate committee in connection with charges aired by Senator McCarthy against Dr. Owen Lattimore. Miss Utley has a number of books to her credit dealing with the Far East and Soviet Russia; and, also, has written about the German problem in The High Cost of Vengeance (Henry Regnery Company, 1949). Nor should we forget to mention Decline and Fall, by Miss Utley, the HUMAN EVENTS Analysis of April 21, 1948.

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Book Events

Seeds of Treason, by Ralph de Toledano and Victor Lasky. New York: Funk and Wagnalls Company, $3.50. Reviewed by J. M. Lalley.

This is the first of what I dare say will become a whole library of books on the case of Alger Hiss. The greater part of it seems to have been assembled while the question of Mr. Hiss' guilt was legally still undetermined, since the circumstances of his second trial and conviction are considered but briefly in a concluding chapter. It is, of course, a work of journalism rather than of legal analysis or of psychological exploration; and after reading it one is as far as ever from understanding the desperate charm of conspiratorial politics for so many gifted members of the generation to which the principal figures of the case belong, or the apparently catalytic effect of Leninist casuistry upon so many sensitive minds.

The main effect of the book, despite several minor inaccuracies, is to make clear how strong is the circumstantial evidence supporting certain portions of Mr. Chambers' narrative, and to show how, as the evidence accumulated, Mr. Hiss and his supporters were steadily obliged to retreat to new and ultimately untenable positions of defense. Ironically enough, Mr. Chambers' appearance before the Thomas committee, when the details of the Communist capture of high posts of power in the American Government were first disclosed to an amazed and still incredulous public, seems to have been more or less accidental. After the revelations of Miss Elizabeth Bentley, and the angry and indignant uproar that followed them, the committee found itself at the end of a blind trail. About ten years earlier a Washington newspaperman had heard the name of Whittaker Chambers mentioned in connection with some rumors of Communist infiltration into Government departments, and he suggested it to the committee. Mr. Chambers, when he received the subpoena, seems to have had a full premonition of the ordeal that lay before him.

By another interesting irony, it was the innocent and unsubversive side of Mr. Hiss' life that helped to close the trap upon him. On his first appearance before the committee Mr. Hiss made an effective impression upon all its members but one. They seemed ready to agree that he might indeed be the victim of the paranoid delusions of a madman. Only Representative Nixon, who felt that Mr. Hiss' answers had been too carefully phrased to square with his attitude of outraged virtue, was dissatisfied. Mr. Nixon insisted that Mr. Chambers be recalled and examined behind closed doors. This time he was interrogated exhaustively for details about the intimate lives of Alger and Priscilla Hiss that might sustain his assertion of former intimacy with them. Among other things, Mr. Chambers recalled their bird-watching hobby and their excitement and delight one day over the discovery of a prothonotary warbler. He spoke also of Mr. Hiss' fondness for relating how as a boy in Baltimore he had earned himself extra spending money by an exploit of free enterprise. He had built up a little business of hauling spring water from the park and selling it to neighbors. When Mr. Hiss, too, was recalled and examined, he was skillfully led into confirming Mr. Chambers' story upon both these points. The committee was now satisfied that Mr. Chambers' knowledge of the man he accused was based on personal acquaintance rather than study; and it was at this hearing that Mr. Hiss admitted that Chambers might have been a man he had known as George Crossley. Thus the stage was arranged for the great confrontation scene in New York. It was there that Mr. Hiss dared his accuser to repeat his statements out of committee, so that they might be made the basis of an action for libel. It had been Chambers' conviction that Hiss would never risk a suit that, according to our authors, led him to conceal the existence of the "Pumpkin Papers", thereby creating those contradictions in his testimony of which the defense counsel afterwards sought to make so much.

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European Supplement *to* Human Events

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By Marion Doenhoff

HAMBURG -- April, 1950

SCHIZOPHRENIA: For us Germans the Fuchs case has been of special interest, not so much because Klaus Fuchs was originally a German, but because as a result of our geographic position and our history we know very well the two worlds in which he lived. They are the natural world of the West and the ideological, artificial one of the East: artificial because there on a pseudo-scientific basis of historic materialism a theory of life has been evolved to which everything natural and everything human has been sacrificed. This goes so far that in the end even history, for the true Marxist, is nothing more than a physical process.

Klaus Fuchs himself has called his behavior "controlled schizophrenia", meaning an intentionally accomplished split of his mind. He was able to live in two completely independent spheres: publicly in the world of highly qualified scientific research with all its tangible paraphernalia, and secretly in the ideological world of Marxist make-believe, its slogans and dream pictures.

The disposition towards such a divided consciousness is closely related to the crisis of Western thinking and the loss of common unifying values. The entity of Fuchs' personality was broken, because it had no unified spiritual consciousness on which to fall back. In this respect, Fuchs is no isolated case. On the contrary, as a result of the upheaval of two world wars and the spiritual unsettlement which they brought, schizophrenia has become a sickness of our era.

Today it is the fate of whole peoples to live in a self-willed split of the ego: on the one hand the official plane of governmental rulings which control their public actions; on the other, the hidden plane of natural behavior and thinking reserved for the closest private circle. The original undivided consciousness of man has been shattered to its foundations by Marxist teaching, and has come into conflict with its social surroundings. In place of natural consciousness, which Communism condemns as capitalistic and therefore immoral, has arisen a theoretically created attitude called "social consciousness". This psychological conflict will split the ego of any man who has lost his inner freedom.

In the surroundings in which Fuchs lived the "socialistic conscience" created by his intellect could not in the long run hold its ground. Admittedly, he met too many people with a "deep-rooted strength which enables them to live a decent life". Under their influence Fuchs finally found his way back to natural mental condition.

For millions of people, who live within the Soviet orbit, schizophrenia is the only possible way of life. If they do not successfully contain their natural mind in a special compartment they will one day be liquidated for sabotage or deviation.

* * *

VON FALKENHAUSEN: Recently I met a young man with whom I often had very lively discussions during the war. He was, then, ADC to a rather objectionable Nazi general whom, partly because of stupidity, partly because of loyalty, he used to defend whenever I attacked the attitude of his chief and of the German military leadership as a whole. I remember quite well that during our last discussion, in the autumn of 1943, he indignantly exclaimed: "I do not know what you mean; is there then no general whose attitude meets with your approval?" "Yes", I replied, "there is one who should be an example to all German officers: General von Falkenhausen."

Obviously he, too, remembered that talk because his first question the other day was: "What has happened to your Falkenhausen?" Rather shamefacedly I had to tell him that Falkenhausen during the last few years has been in no fewer than 51

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camps and prisons in six countries, and that for the last two years he has been imprisoned at Liêge in Belgium -- without any trial, even without any indictment. Whereupon my young friend replied, with a show of satisfaction: "My general on the other hand is doing extremely well." Due to his relatively good upbringing he did not go on to say: "Now you see what your obsolete ideals are worth."

Because it is typical that many Nazi officers are free, and because it is equally significant that many of the best and most decent Germans, who for years fought against the Nazis -- such as for instance Weizsacker -- are in prison, I want to sketch the story of von Falkenhausen, whose case has come dramatically into the limelight during the last few weeks.

During the German occupation of Belgium Falkenhausen was Military Governor and as result of his high office was taken into custody in 1945 as a potential war criminal. The five years which have elapsed since the end of the war have obviously been insufficient to find out whether he will be tried individually as a war criminal. Many Belgians have unsuccessfully pleaded for Falkenhausen. They have stressed again and again that it was primarily due to him that Belgium came out of the war relatively unscathed and was the first European country to stage a spectacular recovery. A highly placed Belgian last year refused to accept a decoration, giving as his reason that he could not accept this honor so long as Falkenhausen, who had done very much more for Belgium than he himself, was in prison.

As early as 1930, when many Germans who later joined the resistance movement, and many foreign politicians also, had no clue to what the Nazis really wanted, Falkenhausen in public speeches warned against the new movement. In 1932 he endeavored to get Chancellor von Schleicher to ban the SA. In 1934, shortly before the 30th of June, when his brother was murdered by the Nazis, Falkenhausen went to China as private military adviser to Chiang Kai-shek, seeking a refuge there. After the conclusion of the German-Japanese treaty Ribbentrop forced him to return to Germany by threatening to take revenge on his family. Immediately after his return, in 1938, Falkenhausen joined the German resistance movement around General Beck and Burgomaster Goerdeler. I remember quite well that at the time, and also at the beginning of the war, a strong group pleaded for the appointment of Falkenhausen and not General Beck as head of the resistance movement.

In 1940 responsible persons took steps to get him appointed to the post of Military Governor of Belgium in order to counteract the influence of the Nazi party in that occupied country. This task he fulfilled splendidly in constant struggles with the Gestapo, police and Führer's orders, as far as it was at all possible. Twice he tendered his resignation but it was twice brusquely refused. When finally, in 1944, he refused to conscript Belgian youths of nineteen for work in Germany, he was dismissed by Hitler and sent to a concentration camp "for constantly favoring the enemy". He was liberated by the Americans only to be incarcerated by them later as a potential war criminal. His successor in Brussels, the Nazi Gauleiter Grohé, was freed by the Belgians a long time ago.

Since 1944 Falkenhausen has been dragged from one European concentration camp or prison to another. Now he has reached the age of 71, yet is still the prototype of the "knight without fear or reproach". But he has become a lone, old man, still more lonely since his wife died on March 4 of this year. She lay dying of cancer in a hospital in Hesse, and because he had not seen her for ten years, people after a great struggle succeeded in getting him so-called "leave of absence". A certificate of the German doctor, an application by his counsel, and the recommendation of the Bonn government were not enough to obtain the leave. Only after two doctors came from Belgium to X-ray the very weak, old lady, who fainted repeatedly during the procedure, was "leave" finally granted. Escorted by two Belgians he was allowed to visit the hospital which for his reception had been specially occupied by 25 American military police, and he could only see his wife in the presence of another MP.

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Shortly before the vital operation he had to return to Belgium, and when his wife soon afterwards died he was transported back again to Germany by the same procedure. On special orders from Brussels he was not allowed to attend the burial, but had to stay in the hospital under a strong guard. He was forced to spend the night with three rowdy GIs in a barracks room, because allegedly there was no privacy available.

General von Falkenhausen is nearing the end of his life. All these afflictions can no longer injure him. He is beyond resentment and complaint, and looks into a better world. But we who want to rebuild this world are questioning whether this can be done unless justice and kindness find some place in the foundations.

* * *

POLAND AND EAST GERMANY: The relations of Poland with the East German Republic are of a very subtle nature, in view of the Oder-Neisse line which at the moment constitutes the frontier between them. This probably explains why Poland is the only one of the East European "people's democracies" which has two diplomatic representatives in Berlin. Side by side there are the official Polish Ambassador, accredited to the Pieck government, and also a diplomatic representation with the Allied Control Council, which ceased to exist a long time ago. Curiously enough they both reside in Western Berlin, in the British sector, and are led by General Prawnin.

He has the task of engaging in Polish cultural propaganda, painting a Poland which is not subject to the Soviets. The German-Polish propaganda chief of this mission, Meller-Sandler, is busily arranging visits of Polish artists and exhibitions, and he tries by the roundabout way of common literary interests to gain the sympathy of German intellectuals. In general these aesthetic efforts are aimed at getting the Germans to accept the new Poland in its present boundaries, and thus to obtain their agreement to the Oder-Neisse line.

The official Polish Ambassador was not appointed until the leaders of the two outwardly non-Communist parties in the Eastern zone, the LDP (Liberal-Democratic Party) and the CDU (Christian-Democratic Union) had made statements on the Oder-Neisse line as the peace frontier. Originally the president of the Kattowitz Voievod Council, Karel Tkocz, was appointed Ambassador in Berlin. When, however, it appeared that he was interested more in Polish Communism than in the authentic Soviet brand, and when on top of this it was discovered that he was related to a German Catholic priest, he was recalled a few weeks ago.

His successor is Jan Izydorczyk, member of the Warsaw Politbureau. He certainly represents the Kremlin policy, namely the co-ordination of Soviet-Poland with a slowly developing Soviet-Germany. More remarkable than this change-over, however, is the fact that in spite of this "adjustment" General Prawnin and his mission continue to reside in Western Berlin. Admittedly, Prawnin is now subordinate to Ambassador Izydorczyk. But it is still true that the former conducts national Polish cultural propaganda, whereas the latter steers a pro-Soviet Polish course. Poland obviously believes that a dual propaganda will produce the best results.

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"COUNTER-MOVEMENT": Political meetings are generally poorly attended in Germany. Many people would not go even if every participant were paid to attend. Recently, however, a founders' meeting of the "Party of the Radical Center" took place in Berlin. That meeting was attended by over a thousand people although everyone had to pay an entrance fee of one Deutschemark. It was a very funny meeting at which, for an hour and a half, one peal of laughter followed another.

Werner Finck, for 20 years one of the most popular comedians in Germany, convened the meeting. However, it was by no means a cabaret show, but really an effort to approach politics from the humorous side -- an effort which because of the dead-

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seriousness with which politics are handled in Germany, seems an extremely good idea. That the meeting really should be considered seriously was made obvious by the fact that on the platform besides Werner Finck were to be seen the Burgomaster Friedensburg and Rudolf Pechel, a most respected journalist and editor of the Deutsche Rundschau. This was the most courageous periodical appearing during the Nazi regime, but it was finally banned and Pechel was sent to prison for two years.

Under Hitler, Werner Finck twice had to pay for his inclination to political bons mots by lengthy stays in concentration camps. So, as a matter of precaution, the membership cards of the new party bear the words: "I join the Radical Center with the proviso that my membership shall not be held against me in case of future questionnaires." The membership card will most likely be worn under the lapel!

Finck is really serious, for all his fun. His leaflets demand the resignation of politicians who suffer from gastric complaints. They protest against uniforms, against standing at attention in public offices and places, and they propagate the view that things will be managed much better with humaneness, humor and elasticity than with systems, dogmas and party discipline. He appeals against bureaucracy, against sanctity of office and the pathetic dead-seriousness of the dogmatists. Apart from all that his party has no program, and he is proud of it. He calls it briefly "counter movement". Regarding Winston Churchill, Carlo Schmid and Theodor Heuss he says that without being aware of it they are already members of the Radical Center. The human cheerfulness with which they engage in politics renders their policy more fertile than that of others.

Certainly there had never been so much fun in the large hall, which after the Russian manner had been festooned with large banners bearing slogans such as "We are in favor of the Saar question". Here many people again began to take a happy interest in politics, and this alone makes the constitution of the new party a worth-while effort, even if Werner Finck does keep his promise to carry humor and fresh air into the public offices, parliaments and schools.

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ARGENTINE NAZIS: What is the use of responsible and reasonable people in Germany trying to calm their nationalistic countrymen when a publisher in the Argentine makes it his business to rake up the old Nazi tales and to circulate them once more?

I have before me a book from the Dürer Publishing Company in Buenos Aires, the title of which runs, With Dr. Goebbels Till the End. It was written by the personal press director of the former Minister of Propaganda in order -- as the wrapper says -- to straighten out the picture of this leading, political personality, distorted in the course of years by political passion and hasty judgment. The book is a very misplaced apotheosis of Dr. Goebbels, whom the author adores.

In the introduction the author justifies his book by writing: "Up to the last day of the war I did everything in my power to bring about victory, or at least to try and prevent the defeat and all the terrible results which it was bound to bring to the German people." It is certainly a curious justification of the Nazis to assert that all they wanted was to prevent the results of the catastrophe which they themselves had brought about. In present-day Germany, with its unemployed, its refugees, its bombed-out people, nothing is more effective from the point of view of propaganda than an appeal to the memory of those times when they still had work, homes and a future.

One cannot tell a foreign publisher what he should publish and what he must not publish. But it is a sad sign of the times when an Argentinian publisher presents his customers with such dangerous nonsense. Fortunately, the book is at present not available in Germany. But evidently the publisher has his customers, for on the wrapper a whole lot of pro-Nazi literature is presented.

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